

SECRET

31 OCT 1960

MEMORANDUM FOR: Assistant Deputy Director (Support)

SUBJECT : Raymond S. CHURGIN (P), Case No. 165, \$821.96

1. PROBLEM:

Should the unaccounted balance of Raymond S. CHURGIN's (P) account be written off?

2. FACTS BEARING ON THE PROBLEM:

- a. While serving as a contract agent in Frankfurt, Germany from October 1958 until August 1959, subject was advanced at various times operational funds in Deutschmarks West. Upon his return to the United States in August 1959 he was unable to account for operational funds advanced in the amount of \$923.01. Although the field officers became aware that CHURGIN (P) was acting in a peculiar and unusual manner, it was not definitely suspected that he was no longer responsible for his actions until an examination was made by the Psychiatric Staff at Heidelberg. It was determined that he was then and had been while overseas suffering from an acute paranoid-schizophrenic reaction.
- b. An accounting for his return trip to Washington, D. C. reflected a balance of \$161.05 due CHURGIN.
- c. SR Division requested a write-off of \$923.01 with a credit of \$821.96 to CHURGIN's account (present balance) and a refund of \$161.05 (travel credit) to CHURGIN. See attachment.
- d. He has been terminated and placed in a mental institution, according to an oral report by SR Division.

3. DISCUSSION:

- a. Since the SR request bore the endorsement of the Psychiatric Staff, there is no dispute about the mental incompetence of CHURGIN.
- b. The handling of CHURGIN's account is in dispute. The Board feels his account should be considered on an overall basis and the credit of the travel voucher should reduce the loss on the operational advances.

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NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

SECRET

- 2 -

- c. SR Division and the Psychiatric Staff feel he does not have resources for repayment and that it is not feasible to press for repayment.

4. CONCLUSIONS:

- a. CHURCHIN should be relieved of liability for his current balance on grounds of mental incompetence.
- b. The credit of \$101.05 due to CHURCHIN on his travel voucher should not be refunded to CHURCHIN but used to reduce his operational debt.

5. RECOMMENDATIONS:

- a. The CHURCHIN balance of \$221.96 in unaccounted advances should be written off to expense for operational security of Project AHEADWORK, account number 6134-9000-5254.
- b. Reginald A. CHURCHIN (P) should be relieved of further accountability or liability for funds received and his personal account closed.


Chairman, Board of Review

Attachment:

SR memo dated 27 July 1960 w/encl.

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SUBJECT: RAYMOND S. CHURCHIN (P), Case No. 165, \$821.96

CONCURRENCE:

15/ ☐
Audit Staff

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15/ ☐
Security Office

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15/ ☐
Office of the Deputy Director (Plans)

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15/ ☐
Office of General Counsel

☐

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Controller (*acting*)

☐

31 OCT 1960

Date

The action recommended in paragraph five (5) above is approved.

(signed) ☐

☐

7 NOV 1960

Assistant Deputy Director (Support)

Date

DDI/ee (14 Oct. 1960)

Distribution:

Orig. - Finance

2 - DD/S

1 - Each Member - BOR

✓ 1 - Chief, SR

1 - BOR files

1 - Chrono (withheld)

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RAYMOND CARRON (P)

Reference is made to your contract, effective 14 October 1953 with the United States Government for the purchase of information and services of a confidential nature.

Effective 31 May 1957 said contract is hereby terminated by mutual consent of the parties thereto and in lieu thereof the following contract is substituted:

The United States Government, as represented by the Contracting Officer, hereby contracts with you for the submission of certain information and related services of a confidential nature under the following terms and conditions:

1. Compensation. In full consideration for the submission of such information and services you will receive from the Government, payable in such an approved manner as you may direct in writing, the following:

(a) Basic compensation calculated at the rate of \$6000 per annum.

(b) Effective upon the date of your departure overseas and for as long as you are separated from your family with the concurrence of the Government, additional compensation calculated at the rate of \$180 per month.

(c) Effective upon your arrival at and applicable only to your initial permanent post of assignment overseas, additional compensation for quarters procurement calculated at the rate of \$1500 per annum. Quarters may be furnished you at said post and for such period you will not be entitled to the additional compensation set forth in this sub-paragraph.

2. Taxes. (a) As your legal relationship to the Government is that of an independent contractor, all amounts paid directly or guaranteed by the Government under paragraph one (1), supra, including the taxable value of quarters furnished you are reportable as income under existing Federal income tax laws and regulations. In the event you are furnished quarters, you will report as the taxable value thereof the figure \$1500 per annum. As the taxable value to you of such quarters is subject to adjustment depending upon their cost to the Government, you will be notified by unilateral contract amendment of any change in the figure herein indicated.

(b) In view of the security consideration involved, the Government agrees, at your request, to withhold Federal income taxes from monies due you under this agreement in an amount equivalent to the United States income tax withholding schedule based upon your taxable income hereunder and four present exemption(s). Sums so withheld will be paid over to the Internal Revenue Service. You acknowledge that this is an accommodation on the part of the Government and does not relieve you from fulfilling your obligations under existing Federal income tax laws and regulations. You will be instructed as to the method to be followed in making timely filing of returns, estimates and payments in order to preserve security.

W 81-201- []

A F F I D A V I T

I N L I E U O F P A S S P O R T

I, Freds Z. Launags, was born on 7 June, 1919,
at Vecpiebalga, Latvia. My father is Antons. My mother is
Olga Elizabete.

I entered the United States at Hoboken, New Jersey,
on 14 October, 1952. Prior to my entry in the United States
I had resided at Hlid, Sweden.

I am married.

I am unable to secure a pasaport because I am a refugee
from the Soviet Union and unable to obtain a passport from that
country.

Attached is my photograph, and my description is as follows:

Age	- 38	Posture	- erect
Apparent age	- 38	Weight	- 155
Height	- 5'11"	Teeth	- good
Eyes	- grey-blue	Hair	- brown
Face	- narrow	Scars	- none
Complexion	- fair	Build	- medium
Sex	- male		
Prominent features	- none		

Subscribed and sworn to before me

this 13th day of June 1957.

Freds Z. Launags

Larsen & Co. Foreman
Notary Public

My Commission Expires Sept. 1, 1957